



May 4, 2000

Mr. Bion M. Gregory
Legislative Counsel
State Capitol, Room 3021, B-30
Sacramento, CA 95814

Dear Mr. Gregory:

Pursuant to the requirements of Government Code Section 8169.5, the Department of General Services is submitting the April, 2000, quarterly report on the Capitol Area East End Complex.

If you have any questions or require additional information regarding the Capitol Area East End Complex, please call Mike Courtney, Acting Deputy Director, Real Estate Services Division, at (916) 322-7034.

Sincerely,

CLIFF ALLENBY, Interim Director
Department of General Services

CL:MKH:kw:jrc cover ltr apr 00

Enclosure

cc: See attached distribution list
Mike Courtney, Acting Deputy Director, Real Estate Services Division, Department of
General Services
Peg Hudson, Chief, Project Management Branch, Real Estate Services Division,
Department of General Services

Capitol Area East End Complex
Quarterly Joint Rules Committee Report – pursuant to 3-25-99 JRC recommendations
LEGISLATIVE REPORT LISTING

ORIGINAL LETTER TO EACH OF THE FOLLOWING:

The Honorable Robert M. Hertzberg, Chair
Joint Rules Committee
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(1 original + 22 copies)

The Honorable Patrick Johnston
Member of the Senate
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(1 original)

The Honorable Deborah Ortiz
Member of the Senate
State Capitol, Room 4032
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(1 original)

Mr. Bion M. Gregory
Legislative Counsel
State Capitol, Room 3021, B-30
Sacramento, CA 95814
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Mr. E. Dotson Wilson
Chief Clerk of the Assembly
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Mr. Gregory Palmer Schmidt
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Joint Rules Committee
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Originating Office

REVISED 5/5/00 East End Quarterly JRC Report

Capitol Area East End Complex Cumulative Quarterly Report to the Joint Rules Committee

**Pursuant to Government Code Section 8169.5
(Chapter 625, Statutes of 1999)**

April, 2000

Department of General Services

Cliff Allenby, Interim Director

Michael Courtney, Acting Deputy Director

Real Estate Services Division

Project Management Branch

Margaret K. Hudson, Chief

Richard Teramoto, Project Executive

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EXHIBITS

Exhibit A – Agreement for Participation of the Green Team in the Design and Construction Phase

Exhibit B – Various Letters to the East End Neighbors, Legislature, and Governor's Office

Exhibit C – Green Team's Position on the Underfloor Air Distribution System

LEGEND OF ABBREVIATIONS

Air Resources Board	ARB
Capitol Area Development Authority	CADA
California Energy Commission	CEC
California Integrated Waste Management Board	CIWMB
Center for the Built Environment.....	CBE
Department of Finance	DOF
Department of General Services	DGS
Department of Health Services	DHS
Disabled Veterans Business Enterprise	DVBE
Joint Rules Committee	JRC
Legislative Analyst's Office	LAO
Letter of Understanding	LOU
Preliminary Plans	PP
Project Management Branch	PMB
Public Works Board	PWB
Real Estate Services Division	RESD
Request for Proposal	RFP
Request for Qualifications	RFQ
Small Business Enterprise	SBE
Sacramento Municipal Utility District	SMUD
Technical Evaluation Committee	TEC

I. Introduction

The enabling legislation for the Capitol Area East End Complex, Government Code Section 8169.5 (Chapter 761, Statutes of 1997 (SB 1270, Johnston)), authorized the JRC to review the DGS's plan and the LAO report to consider whether to recommend to the DGS any changes in the site design criteria, performance criteria, specifications or criteria for determining the winning bidders. Pursuant to the requirements of Government Code Section 8169.5 (Chapter 625, Statutes of 1999 (AB 883, Joint Committee on Rules)), provided herein is a cumulative quarterly progress report on the Capitol Area East End Complex. Only exhibits relative to the current report are included. This report can be viewed on the DGS web site at:

<http://www.legi.dgs.ca.gov/default.asp?mp=../Publications/main.asp>.

To ensure the intent of the March 25, 1999, JRC Recommendations are satisfied, the DGS has signed a LOU with the other agencies the JRC requested DGS to consult. A copy of the LOU was provided in both the July and October, 1999 reports. Pursuant to the LOU, a draft of this report was provided to the CEC, CIWMB, DHS, ARB. Comments were received and incorporated to the extent practicable. Although the DGS did not incorporate all comments, the department did not have issue with any comment received.

Contract agreement has been reached with each design/build team. Clark Gruen Design/Build, Inc. has been contracted for the four office buildings occupying Blocks 171-174. This team includes Clark Construction Group with Gruen Associates as the architect of record with Forrar Williams Architects providing local input. Clark Gruen was selected for their demonstrated superiority in public sector work, the strength and depth of their on-site management team and the outstanding expertise of their major subcontractors and design consultants. Clark Gruen's proposed community outreach plan was judged most comprehensive and their overall proposal was deemed to provide the best value to the state.

Hensel Phelps Construction and Fentress Bradburn Architects, with Dreyfuss & Blackford Architects providing local input, comprise the design/build team for the Block 225 office building project. Presenting a well-organized and comprehensive proposal, the Selection Committee deemed this team to be superior, citing overall experience and expertise, demonstrated expertise in complex window wall systems, commitment to project collaboration, an outstanding safety record, and their commitment to green building measures.

A more detailed discussion of the Selection Committee's decision can be found in Exhibit A of the January, 2000 Quarterly Report to the JRC.

1. Design/Build Method

The Joint Rules Committee finds that use of the design-build method for the East End Project was authorized by the enabling legislation. It is incumbent upon DGS to meet the efficiency and sustainability criteria outlined below to offset concerns about design-build. The Committee, therefore, will periodically review progress of the East End Project in order to ensure these goals are met.

This quarterly report is provided to allow the committee to review the DGS progress as required by Government Code Section 8169.5.

2. RFP and RFQ Evaluation Criteria

The Committee finds DGS should continue to work with the LAO to make the proposed evaluation criteria for the issuance of RFQs and RFPs more objective. The Committee will periodically review the RFP and RFQ criteria to ensure that the agreed upon specifications related to green construction, energy efficiency and sustainable design suggested by the CIWMB, CEC, [DHS, and ARB] and others are incorporated and meet the articulated goals.

Apr 00 As the RFQ and the RFP selection process is complete and the design/builders selected and under contract, this item will no longer be addressed in future reports.

Jan 00 The DGS met with the LAO on two occasions and reached final accord with the RFP evaluation and selection process and criteria that included the CEC, CIWMB, DHS, and ARB's desired weighting of the scores and criteria, which represented approximately 20 percent of the total scoring. The evaluation criteria included the following categories: Certification of the Stipulated Sum as prerequisite to further evaluation of the proposal; Designated Subcontractors; Design and Construction Management Plan; Small Business/DVBE Utilization Plan; Building Systems Description; and Quality Enhancements.

The design/build teams submitted their draft proposals on October 14, 1999. The draft proposals were distributed to the TEC on October 18, 1999. Final proposals were received on November 8, 1999, for the Block 225 Office Building Project and November 10, 1999, for the Blocks 171-174 Office Building Project. On November 16, 1999, the TEC completed their evaluation and arrived at consensus scores. On November 22, 1999, the TEC issued their report to the Selection Committee.

On November 29, 1999, the Selection Committee conducted interviews with each of the three design/build teams for the Block 225 Office Building Project. A briefing from the TEC on their findings preceded the interviews. The TEC summarized their report and answered questions by the Selection Committee. Several members of the TEC were then invited to serve as observers during the interviews and provided input as requested during the Selection Committee deliberations. Each of the design/build teams were afforded one hour to present their proposals and participated in a question and answer session for the final half-hour. At the conclusion of the final interviews, the Selection Committee deliberated the

presentations, reviewed the submitted proposals and TEC evaluations, and formed a consensus choice as to which team represented the best value to the State of California.

On November 30, 1999, the Selection Committee conducted interviews with each of the three design/build teams pre-qualified to submit proposals for the Blocks 171-174 Office Building Project. The same format as above was utilized.

On December 6, 1999, Hensel Phelps Construction (Block 225) and Clark Gruen Design/Build, Inc. (Blocks 171-174) were notified they were the selected teams to complete the design and construct the projects. The press release was issued on December 7, 1999 (<http://www.dgs.ca.gov/default.asp?mp=../news/main.asp>).

The executive summary of the Selection Committee's decision and a list of the quality enhancements from the two successful design/build proposals are attached as Exhibit A.

Oct 99 The CEC, CIWMB, DHS, and ARB have reviewed the initial RFP selection process and criteria. The DGS anticipates two additional meetings with the LAO to reach final accord with the RFP selection process and criteria.

This group anticipates continuous review of the Projects' energy efficiency and sustainable design features in the criteria, specifications, and drawings.

The design/build teams competing for the Block 225 project, the $\frac{3}{4}$ block site bounded by 14th and 15th Streets, between N and O Streets include:

- Rudolph and Sletten Construction with Erlich-Rominger Architects
- J.R. Roberts Construction with Nacht and Lewis Architects and McCuen Properties
- Hensel Phelps Construction with Fentress Bradburn Architects, and Dreyfuss & Blackford Architects

The design/build teams competing for the Blocks 171-174 project, the blocks within 15th and 17th Streets, between L and N Streets include:

- Clark Gruen Design/Build, Inc.
- DPR Construction with McCuen Properties and Gensler Architects
- Hathaway Dinwiddie Construction with DMJM Architects

Each team is now preparing the design/build proposals to be submitted to the DGS in early October with final selections scheduled for December, 1999.

A TEC comprised of the project design team, representatives of the CEC, CIWMB, DHS, ARB and the Division of the State Architect will evaluate the proposals and submit a Technical Report to the Selection Committee. The Selection Committee will conduct final interviews and select a design/build team for each of the projects.

Jul 99 Agreement has been reached for the RFQ selection criteria. The DGS has met on three occasions with the LAO and anticipates two additional meetings to reach final accord with the LAO on the RFQ and RFP selection process.

The DGS, CEC, CIWMB, DHS, and ARB came to consensus regarding the information that comprised the RFQ. The RFQ was issued (made available to the public) on April 26, 1999. A copy of the RFQs can be viewed and printed via the Internet at: www.dgs.ca.gov/resd. The DGS, CEC, CIWMB, DHS, and ARB are continuing to review the Projects' energy efficiency and sustainable design features in the criteria, specifications, and drawings. This group will determine by consensus which suggested items should be incorporated into the projects based upon savings over the life of the building, rather than based solely upon up-front costs while maintaining the Projects' budgets.

3. Periodic Updates

(Retired – January, 2000)

4. Coordination with State Environmental Agencies

The Committee recommends that DGS implement appropriate energy efficiency and sustainability measures throughout the design and build process, including, but not limited to, adherence to the RFP and RFQ guidelines supplied by CEC, CIWMB, ARB and DHS.

Apr 00 The design/build teams of Hensel Phelps Construction with Fentress Bradburn Architects and Dreyfuss & Blackford for the Block 225 office building and Clark Gruen Design/Build Inc. for the Blocks 171-174 office buildings have been selected and contracts signed. The contract documents included energy efficiency and sustainability measures, as discussed with and recommended by the CEC, CIWMB, ARB, and DHS. Design/Builder's proposals included additional measures as enhancements to their proposals.

As the project has moved into the working drawings phase, this item will no longer be addressed in future reports. The Green Team oversight is addressed in item No. 8, below, where it will be addressed in future reports.

Jan 00 Draft proposals from each of the six design/build teams were received on October 14, 1999, and distributed on October 18, 1999, to the CEC, CIWMB, DHS, and ARB for their evaluation as members of the Technical Evaluation Committee. Their charge was to evaluate and score each proposal on the following: waste management plan; building performance assurance plan; building systems description's energy efficiency and sustainable design measures for overall performance of the systems in energy efficiency, sustainable measures including recycling and resource conservation, indoor air quality, alternative energy technologies, and other factors; and the proposed quality enhancements for sustainable design measures.

The DGS, CEC, CIWMB, DHS, and ARB met on November 16, 1999, and arrived at consensus scores.

- Oct 99* Since the issuance of the RFP to the selected Design/Builders (July 30, 1999), the DGS, CEC, CIWMB, DHS, and ARB met on the following date(s):
- August 17, 1999 – General discussion of RFP evaluation and presentation schedule and the role of the Technical Evaluation Committee.
 - Meeting minutes are attached as Exhibit B.
- Jul 99* The DGS continues to meet with the CEC, CIWMB, DHS, and ARB to review the Projects' energy efficiency and sustainable design features of the design criteria, specifications, and drawings.
- The CEC, CIWMB, DHS, ARB, and DGS staff have met on the following dates:
 - March 18, 1999
 - March 30, 1999
 - March 31, 1999
 - April 7, 1999
 - April 12, 1999
 - April 14, 1999
 - April 21, 1999
 - April 28, 1999
 - May 5, 1999 (special day-long conference)
 - May 19, 1999
 - May 26, 1999
 - June 2, 1999
 - June 9, 1999
 - June 16, 1999
 - June 23, 1999
 - April 7, 1999 – the DGS held an orientation meeting to review the current design's sustainable design features.
 - Besides weekly meetings, the Design Team held a special day-long conference with the CEC, CIWMB, DHS, ARB and their consultants to review and discuss the current design and suggested modifications to the Criteria Documents (May 5, 1999).
 - May 14, 1999 – Deadline for final comments and suggested modifications to the Criteria Documents from the CEC, CIWMB, DHS, and ARB, and their consultants.
 - May 14, 1999 – Final comments were received and consisted of suggested modifications to the Criteria Documents, reference material, and product information.
 - May 26, 1999 – the DGS, CEC, CIWMB, DHS, and ARB and their consultants met to review the status of the responses to the comments submitted on May 14, 1999. A copy of the consolidated Sustainable Design Measure/Action List is attached as Exhibit B.
 - June 2, 1999 – An additional comprehensive review meeting was held.
 - June 16, 1999 – General consensus with the DGS, CEC, CIWMB, DHS, and ARB was reached on modifications.
 - June 23, 1999 – A final review meeting was held discussing the fine-tuning of the RFP documents and focusing on the commissioning process.
 - Meeting minutes are attached as Exhibit C.

5. SMUD Proposal

The Committee recommends DGS give full consideration to the SMUD proposal for a heating and cooling system within the project, in keeping with energy efficiency goals.

Apr 00 As reported in the January, 2000 Quarterly Report to the JRC, SMUD withdrew its proposal. This item will no longer be addressed in future reports.

Jan 00 The DGS continued to review fundamental design, capital cost, and operating cost issues discussed at the August 19, 1999, meeting. On September 29, 1999, SMUD notified the DGS by letter that it was withdrawing the proposal to provide a district heating and cooling system for the East End Complex. SMUD stated that the respective positions on these issues could not be resolved.

Oct 99 A meeting on August 19, 1999, was held to respond to and evaluate SMUD's comparison of the SMUD Proposal and Design Team analysis. Continued analysis is required. SMUD's entitlement process and schedule for completion and its effect on the project's entitlement and schedule remain open issues.

The DGS is still unresolved as to SMUD's proposed charges. The proposed heating and cooling charges, while still higher than what DGS estimates, appears resolvable. The remaining fee proposed by SMUD is called a capacity charge. This charge is to amortize SMUD's capital costs and is based primarily on what project costs the DGS would avoid by accepting the SMUD proposal. To date, SMUD has not accepted our estimate. While discussions have produced agreements on several cost issues, other line items have escalated such that the net effect is not significantly changed. A final meeting is scheduled in October to resolve this issue.

Jul 99 The DGS received the formal SMUD proposal on April 20, 1999, and is reviewing it to determine its feasibility and cost benefit compared to the original solution proposed by DGS. The DGS has had several meetings with SMUD to discuss its proposal. At the May 17, 1999, meeting, it was decided that the DGS would conduct an economic analysis based on the rates quoted in the proposed MOU. SMUD's entitlement process and schedule for completion remain open issues.

6. Life-Cycle Costs of Energy Efficiency Measures

The Committee recommends that when reviewing the costs of energy efficiency measures, DGS review them in terms of savings over the life of the building, and measures, rather than in terms of up-front costs. The Committee further recommends participants explore and identify other appropriate funding sources to augment the project funds. Among other things, these sources could include both public and private funds that are available for green building construction and sustainable design features.

Apr 00 As stated under item No. 15 of this report, the DOF requested that in order for the underfloor ventilation in Block 225 to be funded on a demonstration basis, a scientifically-based study be conducted to determine the benefits associated with such a system. As a result, the DGS has contacted the CBE at the

University of California, Berkeley, for this study. The CBE has submitted a methodology to the DGS to conduct an evaluation and comparative analysis of the raised access floor and underfloor air distribution system for the Block 225 Office Building. The Green Team reviewed the proposed methodology and provided comments to the DGS. Given the expertise of the members of the Green Team as well as their respective departments and agencies, it is anticipated that the Green Team will be involved with the final study design methodology and will provide consultation to the DGS and the CBE throughout the study. The CBE's evaluation goals and protocols are currently under review by the DOF. It is anticipated that this study will yield quantifiable data to aid in future cost analysis. Once approved by the DOF, a copy of the CBE's goals and protocols will be provided in a future report.

- Jan 00* The DGS is in the process of developing a formula and the procedures to standardize the review of the life-cycle costs of energy-efficiency measures and building systems for this and other projects. Non-traditional methods of calculating life-cycle costs will also be considered. These methods include impacts to the environment, indoor air quality, occupant health and productivity, etc. Once the methodology is finalized and accepted by the DOF, it will be provided in this report.
- Oct 99* The DGS attended a presentation on life-cycle costing methodology by the CEC to the DOF on July 16, 1999. The presentation covered a general review of process, which included increased productivity considerations.
- Jul 99* The DGS is required by law (Gov. Code, § 15814.30(c)), to determine what is "cost effective" by evaluating the savings over the life of the building or measure being considered. To ensure a consistent evaluation process, a life-cycle methodology was included in the contract documents submitted to the Legislature in December, 1998.

As noted, the DGS and others are analyzing energy efficiency measures in regard to savings over the life of the buildings. Full assessment of additional funding sources will occur upon consensus on the content of the criteria.

The issue of additional funding sources is tied directly to any measure that cannot be included in the project, because the first cost of a measure does not fit within the project's budget. Currently, we are evaluating a large number of recommendations that were received from the CEC, CIWMB, DHS, and ARB. Once analysis of the recommendations is complete, we can determine to what extent additional funding may be required. Participants in the Project Workgroup have agreed to present any items requiring additional funding to the State Public Works Board for consideration and approval of augmentation to the project's current budget, not to exceed the 10 percent augmentation specified in statute. The DGS and CEC will work with the DOF regarding alternative methodologies for life-cycle cost analysis.

7. Sustainable Design and Green Building Construction in the Issuance of RFQs and RFPs

The Committee recommends that DGS consult with CEC, CIWMB, ARB and DHS throughout the design-build process, in order to ensure compliance with articulated project goals, existing regulations, and the guidelines supplied by CEC and CIWMB.

- Apr 00** As the design/build teams of Hensel Phelps Construction with Fentress Bradburn Architects and Dreyfuss & Blackford for the Block 225 office building and Clark Gruen Design/Build Inc. for the Blocks 171-174 office buildings have been selected and contracts signed, the project has moved into the working drawings phase and further addressed in item No. 8. This item will no longer be addressed in future reports.
- Jan 00** The project is currently in the contract negotiations phase. The DGS is working with the design/builders to address and incorporate those items from the proposals the state identifies as integral and essential to the project. The CEC, CIWMB, DHS, and ARB will continue in an oversight role during the development of the construction documents, construction, and occupancy.
- Oct 99** The project is currently in the RFP phase and the review process by the CEC, CIWMB, DHS, and ARB will shift to an ongoing consulting role. The East End design team will monitor the progress of the design builder's construction documents. Upon completion of the construction documents, a review with each agency will verify the proper inclusion of the agreed upon items. During construction, the agencies will be consulted regularly to evaluate changes and modifications to these construction documents and the progress of building commissioning.
- Jul 99** Weekly general meetings have been held with the CEC, CIWMB, DHS, and ARB and will continue through the selection process. Additional specific meetings will be called as required. At this point, the review process will shift to an ongoing consulting role. The East End design team will monitor the progress of the design/builder's construction documents. Upon completion of the construction documents, a review with each agency will verify the proper inclusion of the agreed upon items. During construction, the agencies will be consulted regularly to evaluate changes and modifications to these construction documents and the progress of building commissioning.

8. Green Oversight Mechanism

The Committee recommends that DGS, CIWMB, CEC, ARB and DHS develop an effective green enforcement mechanism of oversight and incentives to ensure compliance with articulated goals. This oversight mechanism would apply to the design-builder and DGS.

This mechanism should provide for review and input by the Department of Finance, the Legislative Analyst, the CEC and CIWMB to the Legislature through the budget process.

Apr 00 The DGS, CEC, CIMWB, ARB, and DHS (a.k.a. Green Team) met on March 22, 2000, to finalize the oversight role of the Green Team during the development of the construction documents, construction, and occupancy of the project. The Green Team will be afforded the opportunity to review and comment on the development of the working drawings, including submittals, change orders, via a web-based management system. The Green Team will also participate in regularly scheduled progress meetings and system confirmations. A copy of the oversight agreement is attached as Exhibit A.

The RESD/PMB's project summary provided at the monthly status meeting with the DOF and the project's Executive Monthly Reports transmitted to the DOF and the LAO provides project status information. Issues relating to green building measures will be specifically noted for review and input from the DOF and the LAO.

On March 23, 2000, the Green Team attended a Systems Confirmation Conference for the Block 225 Office Building project. Representatives of the CIWMB also participated in the pre-bid conference for the demolition contract for the Blocks 171-174 project. Additional meetings are scheduled for both projects during the working drawings phase.

A Green Focus Group has been formed consisting of representatives from both design/builders, the DGS, and the Green Team. The Green Focus Group will address and coordinate the green efforts of both projects.

Jan 00 The DGS, CIWMB, and DHS met on November 11, 1999, to discuss the oversight mechanism methodology that will be utilized during the construction phase of the East End Complex. The DGS will continue to work with the CEC, CIWMB, DHS, and ARB. While the DGS does not expect issues to arise affecting green issues during contract negotiations, the DGS has committed to discuss such issues with these agencies. Additionally, enhancements not included in the Design/Builders' proposals will be discussed as possible changes to the contract and will utilize the green oversight mechanism, as applicable.

Oct 99 Consensus was reached as to the content of the criteria. The criteria were included in the Request for Proposal documents. The CIWMB is charged with developing the "green oversight mechanism" for final discussion and adoption.

Jul 99 Once consensus as to the content of the criteria is reached, the roles for the green oversight mechanism will be developed. The LOU commits the DGS to work out a process to ensure compliance. The approach will depend on the particular items that are included in the project and the timing of additional funds that may be available.

During the contract documents review phase we are and will continue to refine the measures into requirements of the base building wherever possible. The instructions for the “enhancements” section of the proposals will include those measures that remain desirable and may be accomplished through inclusion as an enhancement.

In addition to the processes outlined above, we have and will continue our practice of briefing the DOF and LAO on the progress of the project. All these agencies receive copies of the monthly reports. The DGS has agreed to share the Quarterly Update documents to the CEC, CIWMB, DHS, and ARB prior to issuance. To formalize the relationship throughout the project, final documents submitted will include items of agreement, those in progress and those of disagreement.

**9. DGS, CIWMB, CEC, DHS and ARB
Agreement**

(Retired – January, 2000)

10. Executive Complex

(Retired – January, 2000)

11. Transportation and Parking

The Committee finds that DGS should continue to reduce the negative transportation impacts and parking shortages created by the East End Project.

Apr 00 Both design/build teams have initiated traffic management plans with the City of Sacramento. These plans address the impacts and mitigations on traffic during construction. The City of Sacramento has initiated a traffic calming program in the area with the cooperation of the design/builders.

Jan 00 Nothing new to report.

Oct 99 Nothing new to report.

Jul 99 The DGS is continuing its efforts in this regard and will report on substantial progress when it is made.

12. Francis House Relocation

The Committee finds that Francis House performs a vital service to midtown Sacramento, as well as the county and the state, and has not previously requested public funding or taxpayer support. Given the unique situation of Francis House, the Committee recommends that every possible avenue to assist them in their relocation be explored by DGS, CADA and the City of Sacramento, including, but not limited to:

- a. DGS has agreed to provide the Community with a report regarding DGS's ability to use bond expenditures to assist Francis House in their relocation efforts. Should DGS be legally permitted to do so, DGS should provide Francis House with funding to relocate.*
- b. If it is found that DGS cannot expend bond monies to fund the Francis House relocation, DGS should provide Francis House with a suitable space in which to relocate. Those efforts should be detailed in the quarterly reports issued by DGS to the Committee.*

Apr 00 **Item No. 12 has been resolved, as reported below, and will not be addressed in future reports.**

Jan 00 On October 5, 1999, Assembly Bill 883 (Ch. 625, Statutes of 1999) was approved by the Governor on October 10, 1999, providing project funds not to exceed \$120,000 to the Francis House for actual moving and related expenses. On November 15, 1999, the DGS approved the release of funds to the Francis House in the amount of \$100,000 to assist in the relocation to their new quarters at 1422 C Street, Sacramento. The remaining amount authorized by the legislation, \$20,000, will not be released at this time, pending their finalization of plans for parking and other improvements to their new facility. On December 13, 1999, the Francis House moved into their new quarters.

Oct 99 Assembly Bill 883 (introduced by the Committee on Rules) would allow for "payments for actual moving and related expenses, including obtaining new facilities...in an amount that may not exceed one hundred twenty thousand dollars (\$120,000)." This bill has been submitted to the Governor for signature.

Jul 99 The DGS is continuing to work with all parties to affect an equitable solution and meet the needs of those concerned.

13. Neighborhood Impacts

The Committee finds that projects of this magnitude when introduced into an existing neighborhood, should make efforts to maintain a pedestrian-friendly atmosphere, and directly in line with the ULI's recommendations, include consideration of after hours activities (and the potential lack of them) when formulating a design. Further, the Committee finds that mixed-use is a valuable means to maintain such an atmosphere, and recommends DGS continue to consider ways to include mixed uses in the project.

Apr 00 **A final report by the Joint Use Task Force is being prepared and will be included in a future report. The suggested joint uses will be reviewed with the DOF and the PWB's bond counsel for possible effects on the tax-exempt status of the bonds.**

As stated in Item No. 16 of this report, a project introduction meeting was held on March 22, 2000, for the residents of the Dean Apartments. The meeting was well received.

A general project introduction meeting was held at the job site on April 3, 2000. Over 300 invitations were sent or delivered to residents and businesses adjacent to or near the project. Approximately 55 neighbors attended the meeting.

On April 7, 2000, the DGS Interim Director, Cliff Allenby, sent letters to the members of the Legislature and Governor's Office notifying each of the commencement of construction activities.

Copies of the letters sent to the neighbors, the Legislature and the Governor's Office are attached as Exhibit B.

The first issue of the neighborhood newsletter is being prepared. A public access web site for up-to-the-minute project information is under construction. The web site address and a copy of the newsletter is anticipated for inclusion in the July, 2000 Quarterly Report to the JRC. If there are interested citizens who would like additional project information or would like to be placed on the newsletter mailing list, please contact the on-site state management office at (916) 323-8447.

Jan 00 Nothing new to report.

Oct 99 Nothing new to report.

Jul 99 The DGS, the City of Sacramento, and CADA continue to regularly meet to discuss joint-use operating arrangements for the shared facilities of the project.

14. Periodic Monitoring of Recommendations (Retired – January, 2000)

15. Project Enhancements

The Committee recommends that the Legislature consider a further augmentation for the East End Project to provide for additional housing, higher quality materials, enhancements to make the neighborhood more pedestrian friendly, and other mitigation measures.

Apr 00 The DOF has agreed to the inclusion of an underfloor air distribution system to the Block 225 Office Building project, subject to acceptable testing and evaluation goals and protocols. An analysis of the underfloor air distribution system and a proposal for a field study by the CBE of the impacts of the raised floor system as provided to the DOF will be included in the July, 2000 Quarterly Report to the JRC.

A discussion on the underfloor air distribution system by the Green Team is attached as Exhibit C.

Jan 00 Nothing new to report.

Oct 99 Nothing new to report.

Jul 99 As noted in Item 13, it is anticipated that the discussions with local government will help the DGS identify both statutory changes and funding needs that could benefit the community. Those items will be reported to the JRC.

The DGS will continue to work with the Legislature and other affected parties to help identify funding needs that could benefit the community and the Capitol Area East End Complex.

16. Significant Accomplishments and Schedule

The Letter of Understanding between the DGS, CEC, CIWMB, DHS, and ARB recommended this addition to the report.

***Apr 00* Project Schedule**

Major milestones are as follows:

Jan/98	Selection of Primary Consultants	Complete
Jul/98	PWB Approval of Block 224 Garage PPs	Complete
Nov/98	Award Design/Build Contract for Block 224 Garage	Complete
Nov/98	Complete PPs for Blocks 171-174 and 225	Complete
Dec/98	Submit Mandated Package to Legislature	Complete
Dec/98	Block 224 Start Construction	Complete
May/99	PWB Approval of PPs, Blocks 171-174 and 225	Complete
Jan/00	Award Design/Build Contracts for Blocks 171-174 and 225	Complete
Jan/00	Block 224 Garage – Complete Construction	Complete
Feb/00	Start Construction, Blocks 171-174 and 225	On Schedule
	Boiler Replacement – Award Design Contract	Pending
	Off-site Utility Package – Award Design Contract	Pending
	Boiler Replacement – PWB Review	Pending
	Boiler Replacement – Start Construction	Pending
	Off-site Utility Package – PWB Review	Pending
	Off-site Utility Package – Start Construction	Pending
TBD	Boiler Replacement – Complete Construction	
TBD	Off-site Utilities – Complete Construction	
Mar/03	Complete Construction/Occupy All Facilities	

Apr 00 **Block 224 Parking Garage**

The 753 space Block 224 Parking Garage, located on P Street between 13th and 14th Streets was completed and opened on February 1, 2000. The garage was completed on time and within budget. The garage has incorporated a number of sustainable design features, including:

- **Design Features** - the design of the building balanced the maximum use of the site for as many parking stalls as could be provided while maintaining the integrity of the neighborhood. This was accomplished by "stepping" back the building to reduce the apparent height. A courtyard is also included to increase the sense of openness. The materials and textures used on the exterior, such as stone and light and natural-colored paints, aid in reducing the look of a typical concrete, box-like building.
- **Recycled Paint** - approximately 500 gallons of recycled paint was used primarily on the structural concrete beams and shear walls.
- **Bicycle Lockers** - 16 bicycle lockers were provided in the structure for alternative transportation.
- **Photovoltaic Panels** - a 20kw capacity photovoltaic panel system was installed on the upper deck of the garage. The power produced will feed back into the grid and reduce the rate in which the state pays for electricity. The 20kw equates to approximately 37,000 kw/hrs per year.
- **Recycled Asphalt Paving** - the existing parking lot asphalt (100 percent totaling approximately 45,000 square feet) was ground and tilled back into the existing soil. This resulted in saving the material from going to a landfill.
- **Recycled Soil** - approximately 105 cubic yards of excess soil from the excavation and the geo-pier borings was redirected from a landfill to a local construction site.
- **Electrical Vehicle Charging Stations** - the garage provided 10 electric charging stations for electric vehicles.
- **Flyash** - approximately 1,300 cubic yards of concrete containing flyash was used on the project.
- **Trees** - a vigorous existing tree protection program was utilized, resulting in the loss of only one city tree. A second small staked tree was removed and replanted elsewhere by the City of Sacramento.
- **Lighting** - lighting fixtures in the tenant space meet Title 24 requirements.

Apr 00 **Block 225 and Blocks 171-174 Office Buildings**

- The construction trailer campus for on-site personnel is located at 1525 N Street, Suite 100, (16th and N Streets). The on-site state management office phone number is (916) 323-8447, and the fax number is (916) 323-8449.
- On March 13, 2000, the DGS and the Design/Build Teams held a DVBE kick-off meeting. Members of several local and regional support organizations attended the meeting to learn about the SB/DVBE Utilization Plan, meet the

Design/Build Teams, and to ask questions about the implementation of the project's outreach efforts.

- On April 3, 2000, a project introduction meeting was held for the neighbors and businesses adjacent to or near the project.
- The groundbreaking ceremony was held on April 26, 2000, beginning at 10:00 a.m. at 15th and L Streets.

Block 225 Office Building:

- The perimeter construction fence was erected to secure the site.
- On March 22, 2000, the Project Team met with the residents of the Dean Apartments to introduce themselves and discuss the project and schedule. The meeting was well received.
- Dewatering of the site began with crews drilling 40-foot deep wells around the perimeter of the construction site. These wells are fitted with pumps that discharge underground water away from the site in order that excavation can begin for the building's foundation.
- The advertisement for Bid Package No. 1, Elevators and Window Washing Equipment, was published on March 16, 2000, and March 23, 2000.

Blocks 171-174 Office Buildings:

- The apartment building at 1311 15th Street on Block 172 was moved to its new location at the corner of 17th and N Streets. This work relates to the EIR Mitigation Measure 4.4-1 and the Memorandum of Understanding between the State of California and the City of Sacramento (City Agreement No. 98-215, Issue 1, Housing).
- The 30-day posting requirement for the removal of the street trees along Capitol Avenue began on March 31, 2000.

II. Comments from the CEC, CIWMB, DHS, and ARB

Pursuant to the Letter of Understanding between the DGS and CEC, CIWMB, DHS, and ARB, a draft of this report was provided to these agencies. Comments received to the draft report are provided herein.

<i>Apr 00</i>	Comments received from the CEC, CIWMB, DHS, and ARB are incorporated into this report.
<i>Jan 00</i>	Comments received from the CEC, CIWMB, DHS, and ARB are incorporated into this report.
<i>Oct 99</i>	No comments received.

EXHIBIT A

Agreement for Participation of the Green Team in the Design and Construction Phase

Capitol Area East End Complex

Participation of the Green Team in the Design and Construction Phase

This document is intended to provide a clear understanding of the Green Team's oversight roles and responsibilities during the design and construction phase of the Capitol Area East End Project. This oversight will include review of change orders, submittals, RFIs and other issues affecting the "green" performance of the project. The Green Team is comprised of the East End Project's Technical Evaluation Team, Group 2, consisting of representatives from the California Integrated Waste Management Board (CIWMB), California Energy Commission (CEC), California Department of Health Services (DHS) and California Air Resources Board (ARB). The Department of Water Resources (DWR) has participated in the newly formed Green Building Taskforce and may be consulted during the construction phase.

A. Background

In response to the Legislature's Joint Rules Committee report on their review of the Capitol Area East End preliminary design package, a Letter of Understanding (LOU) was signed by DGS, CIWMB, CEC, DHS, and ARB. This LOU was included in the October 1999 quarterly report submitted to the Joint Rules Committee (draft from October 12, 1999). The LOU states that the DGS Management Team will monitor the progress of the Design/Builder's construction documents to verify the proper inclusion of the agreed upon items. During construction the Green Team will monitor and evaluate proposed changes and provide consultation on "green" issues and the progress of the building commissioning.

B. Purpose

The goals of the Green Team's participation in the design and construction phase and oversight are to:

1. Ensure that the Design/Build contracts include all the elements and enhancements proposed within the stipulated sum. Especially important are those related to energy efficiency, sustainability, and indoor air quality, proposed by the Design/Builders in response to the RFPs.
2. Document the accomplishments of the energy efficiency, sustainable building, and indoor air quality goals as specified in the contract and design documents so the collective vision is realized.
3. Provide an opportunity for the Green Team to assist in identifying satisfactory solutions to changes that may affect the accomplishment of these goals.
4. Collect educational information that can be used to assist future projects.

C. Change Order Negotiations

The Green Team will provide input into the negotiations for modifications to the Design/Build contracts (change orders). This oversight is to ensure that negotiations include the possible addition of quality enhancements proposed by the other Design/Build team proposals that the Green Team identifies as desirable. DGS will support the Green Team in soliciting augmentations or other funding for issues deemed sufficiently important by the Green Team but not able to be

included in the project budget. Value engineering has also been identified as a possible way to include such items.

Roles and Responsibilities:

- The DGS Management Team will involve member(s) of the Green Team during contract change negotiations and provide the Green Team with an opportunity to comment on any proposed changes that could affect the sustainable goals. Minutes from meetings shall be made available to the Green Team through the web-based management system proposed by each Design/Builder. The Green Team will also be provided a review and response protocol for each system. The DGS Management Team will work with the Design/Build teams and the Green Team to address any concerns.
- The Green Team will provide timely comment on proposed changes regarding achievement of the sustainable goals.

D. Kick-off Meeting

The DGS Management team will hold a kick-off meeting with the Green Team, the Design/Build teams and their applicable subcontractors, and the independent commissioning authority (if they would have been selected by then). The goals of this meeting will be to:

1. Discuss the project's sustainable strategies so all parties involved begin with a common understanding of the project's sustainable intent.
2. Explain the process for oversight, including roles and responsibilities, discussing issues that may arise, and reaching consensus.
3. Set a base case against which all parties can measure the project's progress and discuss the sustainable performance specifics. Additional meetings may be arranged with the Design/Build Teams and their subcontractors as necessary.

Roles and Responsibilities:

- Green Team and DGS Management Team will meet prior to the kick-off meeting to formulate agenda, strategies, and goals.
- DGS Management will set up and facilitate the meeting.
- Green Team will participate in the kick-off meeting, assist DGS in setting the base case.

E. Reviews

The Green Team will participate in reviewing the development of the construction documents. This review is envisioned to be a continuous process and participatory process. Initially the Green Team will participate in a series of review meetings with the DGS Management Team and the Design/Builders to confirm the Design/Builder's proposed systems. Regularly scheduled meetings to monitor the progress of specific elements of the final designs will follow. These meetings will evolve into a progress monitoring of the construction documents. Documentation of these meetings will be posted on each Design/Builder's web-based management system as discussed above. The DGS Management Team and the Green Team will be given access to all documentation with review and comment protocol via the web. The Green Team's focus will be to verify that the sustainable goals are being met as required. By this continuous review process the Green Team can help ensure that all of the sustainable project goals are met and provide timely input into the design and construction document process.

The Green Team, by access to the web-based management system, will be kept aware of identifying issues that might affect energy efficiency, sustainability, and/or indoor air quality of the

projects. The DGS Management Team will also make every effort to direct the Green Team's attention to these issues. However, the Green Team can best verify, by regular review of the web-based management system, any issues of interest. The roster below identifies the areas of interest and expertise of the Green Team members. The DGS Management Team will be responsible to assure that the Design/Build teams are especially aware of changes that affect the sustainable goals of the project.

Green Team Roster

- ❑ **Energy Efficiency:** Gary Flamm, (916) 654-2817,
email to: gflamm@energy.state.ca.us
- ❑ **Indoor Environmental Quality:** Leon Alevantis, (510) 540-2132,
email to: lalevant@dhs.ca.gov
- ❑ **Sustainable Material Selection:** Rick Muller, (916) 255-2359,
email to: rmuller@ciwmb.ca.gov
- ❑ **Building Commissioning:** Martha Brook, (916) 654-4086,
email to: mbrook@energy.state.ca.us
- ❑ **Indoor Air Quality Commissioning:** Leon Alevantis, (510) 540-2132,
email to: lalevant@dhs.ca.gov
- ❑ **Water Efficiency:** Keith Watkins, (916) 327-1808,
email to: kwatkins@water.ca.gov
- ❑ **Landscaping:** Michael Leao, (916) 255-2464,
email to: mleao@ciwmb.ca.gov
- ❑ **Solid Waste Management:** Rely Briones, (916) 255-2626,
email to: rbriones@ciwmb.ca.gov

Roles and Responsibilities:

- The DGS Management Team will work with the Design/Build teams and the independent commissioning authority for each project to develop a schedule and facilitate the review and input process. Access to review documents and applicable supporting material will be made available to the Green Team. The DGS Management Team will assure the prompt posting of meeting documentation and pertinent information and work with the Design/Build teams and Green Team to address any concerns. The DGS Management Team will also make every effort to direct the Green Team's attention to any change orders affecting the sustainable goals of this project.
- The Green Team will provide timely comment on the design and construction documents and promptly inform the DGS Management Team of any concerns regarding achievement of the sustainable goals.

F. Participation During Construction

The Green Team recognizes that the process for making changes or requesting information must move expeditiously during the construction phase. The Design/Builders, in cooperation with the DGS Management Team, will continue to maintain the web site described above that will give the members of the Green Team access to information related to change orders, submittals, request for information, and other mechanisms used to change the specifications in the final construction.

The Design/Builders will provide copies of the quarterly waste management progress reports with supporting documentation to the CIWMB that can be used to verify the type and tonnage of materials being recycled. For the purpose of collecting information for a case study, the Green

Team will arrange for a site visit and meeting with those responsible for on-site reuse, recycling, and waste management. Anyone on the project site must check in at the DGS site office and must wear hard hats, hard-soled shoes, and other protective equipment as appropriate and required.

Roles and Responsibilities:

- The DGS Management Team will oversee the process to assure that the Green Team is provided a reasonable opportunity to review and comment on changes to the specifications and make certain every viewpoint is considered. The DGS Management Team will provide the CIWMB with quarterly waste management progress reports and facilitate any site visits. The DGS Management will continue to provide the Green Team with an opportunity to comment on reports to the Joint Rules Committee.
- Green Team will serve a consulting role by providing information and making recommendations to the DGS Management Team. The Green Team will provide timely review and comments.

G. Upon Completion

The DGS Management Team will attest that the energy efficiency, sustainability, and indoor air quality elements of the project are in compliance with the final construction documents. The DGS Management Team will provide documentation as requested by the Green Team to demonstrate compliance.

Roles and Responsibilities:

- Design/Build teams will provide, as an element of the Commissioning Plan, assurance that the energy efficiency, sustainability, and measures to enhance the indoor air quality of the project, are in compliance with their final design documents.
- DGS Management Team will provide information or assist the Green Team in obtaining information for case studies.
- Green Team will comment on the draft document and assist DGS in analyzing information. The Green Team will prepare case studies with assistance from DGS.

This agreement establishes the framework for the oversight process. It is expected that additions and or modifications will be required during the course of the project. To this end the parties agree to changes to this document as are mutually acceptable.

Date: _____

Date: _____

Richard Teramoto, Project Executive
For the DGS Management Team
DGS/RESO/PMB

Leon Alevantis, for the Green Team
DHS

EXHIBIT B

*Various Letters to the East End Neighbors,
Legislature, and Governor's Office*



March 14, 2000

The Dean Building
1400 N Street
Sacramento, CA 95814

Dear Resident:

I am sure you are aware that construction will soon begin on the Capitol Area East End Complex office building on the parking lot adjacent to your residence. We are currently scheduled to start site dewatering on Monday, March 20, 2000. In mid April, you will begin to see the start of site excavation. The State of California and the design/build team of Hensel Phelps Construction Co. and Fentress/Bradburn Architects would like to meet with you and the other building tenants on March 22, 2000, and present the specifics of the project. The briefing will be held at 5:30 p.m. in the new CADA office building boardroom at 1522 14th Street.

If you are unable attend the March 22nd meeting, please call Mike Meredith and a separate briefing will be arranged.

If you have any questions, please feel free to call either Seth Boles or me.

Sincerely,

Mike Meredith
Project Director
Real Estate Services Division, PMB
(916) 445-4608

Seth Boles
Project Manager
Hensel Phelps Construction Co.
(916) 447-8030 (job site trailer)

MM:mm

cc: Richard Teramoto, PMB, Project Executive
 Kathryn Welch, PMB
 Jim Ogden, 3D/I



April 7, 2000

The Honorable Robert M. Hertzberg, Chair
Joint Rules Committee
State Capitol, Room 3016
Sacramento, CA 95814

Members of the Joint Rules Committee
State Capitol
Sacramento, CA 95814

Dear Assemblymember Hertzberg and Members of the Joint Rules Committee:

In 1997, the Governor and the California Legislature enacted SB 1270 (Chapter 761, Statutes of 1997) which authorized the Capitol Area East End Complex. The project consists of five office buildings totaling approximately 1,472,000 gross square feet with an authorized budget of \$392 million. It is estimated that the Capitol Area East End Complex will save approximately \$225 million over the next 30 years as a result of consolidating three state departments.

The project site is located directly east of Capitol Park. Construction activities will commence the week of April 10th and continue through early 2003. The Department of General Services and its two design-build contractors are making every effort to mitigate noise and to control dust that might be created as a result of construction activities. The construction activities will comply with all local noise ordinances.

Our goal is to complete this highly visible project while minimizing disruptions to the community and to state government. If you have any concerns regarding our activities or any other disruption created as a result of the construction of the East End project, please call the Project Executive, Richard Teramoto, Project Management Branch, Real Estate Services Division, at 324-0215.

The support of the Governor and the Legislature during our project-planning phase have been greatly appreciated. We look forward to our ongoing relationship and will continue to keep you apprised of our activities.

Sincerely,

CLIFF ALLENBY, Interim Director
Department of General Services

CL:MC:mi

Cc: Members of the Senate
Members of the Assembly
Aileen Adams, Secretary, State and Consumer Services Agency
Michael J. Gotch, Legislative Secretary, Office of the Governor
Happy Chastain, Deputy Secretary-Legislation, State and Consumer Services Agency
Karen L. Neuwald, Assistant Director-Legislation, Department of General Services



MEMORANDUM

Date: April 7, 2000

To: Lynn Schenk, Governor's Chief of Staff
Office of the Governor

Susan Kennedy, Deputy Chief of Staff for Policy and Cabinet Affairs
Office of the Governor

From: **Department of General Services**
Executive Office

Subject: Capitol Area East End Complex

In 1997, SB 1270 (Chapter 761, Statutes of 1997) was enacted to authorize the Capitol Area East End Complex. The project consists of five office buildings totaling approximately 1,472,000 gross square feet with an authorized budget of \$392 million. It is estimated that the Capitol Area East End Complex will save approximately \$225 million over the next 30 years as a result of consolidating three state departments.

The project site is located directly east of Capitol Park. Construction activities will commence the week of April 10th and continue through early 2003. The Department of General Services and its two design-build contractors are making every effort to mitigate noise and to control dust that might be created as a result of construction activities. The construction activities will comply with all local noise ordinances.

Our goal is to complete this highly visible project while minimizing disruptions to the community and to state government. If you have any concerns regarding our activities or any other disruption created as a result of the construction of the East End project, please feel free to call me at (916) 445-3441 or the Project Executive, Richard Teramoto, Project Management Branch, Real Estate Services Division, at 324-0215.

The support from you and the Legislature during our project-planning phase have been greatly appreciated. We look forward to our ongoing relationship and will continue to keep you apprised of our activities.

CLIFF ALLENBY, Interim Director
Department of General Services

CL:MC:mi

Cc: Aileen Adams, Secretary, State and Consumer Services Agency
Michael J. Gotch, Legislative Secretary, Office of the Governor

EXHIBIT C

Green Team's Position on the Underfloor Air Distribution System

**Green Team's Position on the Underfloor Air Distribution System
at the
Capitol Area East End Complex**

The Green Team (Group 2) is disappointed that underfloor air distribution is not included in all of the East End Complex Buildings. The Green Team unanimously agrees that inclusion of an underfloor air distribution system would greatly enhance the Capitol Area East End Project's overall energy efficiency, sustainability, and indoor air quality. All the bidders for Blocks 171-174 and Block 225 office buildings either offered an underfloor air distribution system or suggested it as an alternative in their proposals and encouraged the State to consider it during their oral presentations. All bidders conditioned the system upon the State accepting design modifications and/or reductions and/or changes ("value engineering") to the Contract Documents.

The Green Team favors underfloor air distribution because it provides the following benefits to California:

1. Energy efficiency: Reduced friction losses result in lower static pressures and reduced fan horsepower. Also, increased chiller efficiencies result from higher chilled water temperatures. Supply air temperatures can be increased because displacement air distribution systems stratify internal heat gains above occupants rather than mix the heat gains into occupied zones, thus providing increased occupant comfort while saving energy.
2. Sustainability: Ease of future reconfigurations will reduce costs and material use associated with remodeling and relocation of telecommunications and electrical distribution.
3. Indoor Air Quality: Increased air mixing near occupants' space, enhanced comfort and occupant control of local environment, more efficient removal of air pollutants and thus enhanced overall indoor air quality, increased productivity, and easy access to supply plenum for cleaning are some of the benefits of underfloor air distribution. Also higher supply air temperatures result in using the economizer in moderate climates (such as Sacramento) more often, thus supplying 100% outside air to the building more frequently than with conventional overhead designs.

The DGS proposed to install underfloor air distribution in Block 225, the smaller of the two projects. As a condition of the DOF's approval, the DGS agreed to fund a study to be conducted by the Center for the Built Environment of UC Berkeley in order to establish financial and other benefits associated with such system in Block 225 office building (a preliminary detailed study plan is presented elsewhere in this report). The Green Team is unaware of any report where an underfloor air distribution system was not successful for either a public or private building. The Green Team strongly supports the incorporation of underfloor air distribution systems in State projects, and will work with DGS, DOF and CBE to: (a) participate in the study design; (b) ensure that the study is conducted in a timely fashion; and (c) ensure that the results are available for evaluation soon after the conclusion of the study.

For the Green Team

Leon Alevantis

